

Cotton spot rate increases by Rs100 to Rs8100

KARACHI: Bullish trend continued to prevail in local cotton market on Friday. The Spot Rate Committee of the Karachi Cotton Association has increased the spot rate by Rs100 per maund and closed it at Rs8100 per maund.

Market sources told that the reason behind the bullish trend in the prices was difference in the demand and supply of Phutti. The demand of Phutti increased as the ginning factories had started their operations. The textile mills were taking extraordinary interest in the buying of new and old cotton as the mills have started getting export orders.

Cotton Analyst Naseem Usman told that 100 bales of new cotton of Burewala were sold at Rs9000 while 200 bales of Sanghar were sold at Rs8350. While 400 bales of old cotton of Mianwali were sold at Rs8200, 200 bales of Bahawalpur were sold at Rs8525 and 800 bales of Rahim Yar Khan were sold at Rs8800.

Advisor to Prime Minister on Commerce and Investment Razak Dawood announced to release an additional grant of Rs6.2 billion for the textile sector under the Drawback of Local Taxes and Levy (DLTL) scheme.

The State Bank of Pakistan in a meeting of its policy committee decided to slash country's policy rate by 100 points to seven percent. It is pertinent to mention here that Pakistan's Policy rate have fallen from 13.25% to 7% in the last 100 days.

Meanwhile All Pakistan Textile Mills Association in its letter written to Advisor to Prime Minister on Commerce, Textile and Investment claimed that textile exports can reach 3 billion dollars if the government will provide them energy on competitive rates, decrease the rate of tax and refunds should be released timely.

Naseem said that due to the efforts of office bearers of Pakistan Cotton Ginners Association the Senate Committee on Finance and Speaker National Assembly Committee on agriculture had send their recommendations regarding abolishing 5 percent sales tax on Khal to the parliament. The problem was discussed in detail in the parliament. Foreign Minister Shah Mahmood Qureshi has promised that issue of sales tax on Khal will be solved soon.

Foreign Minister Shah Mahmood Qureshi also informed the National Assembly that government would use all its available resources to control locusts on war footings as we need a comprehensive strategy to cope with the challenge.

The minister for National Food Security and Research Syed Fakhir Imam said that efforts are under way to develop agriculture sector on scientific lines to enhance yield of major crops including wheat, cotton and rice.

Naseem further said that it is expected that rains started from June 23 and it will continue till July 2. The rains will be good for the cotton crop.

Naseem Usman also said that rate of new cotton of Sindh and Punjab is in between Rs8350 to Rs9000 per maund. The rate of old cotton is in between Rs7700 to Rs8800 per maund.

He told that Phutti of Sindh was sold in between Rs4000 to Rs4350 per 40 kg. The rate of Phutti in Punjab is in between Rs4400 to Rs4500 per 40 kg.

The rate of Banola in Sindh was in between Rs1900 to Rs2000 while the price of Banola in Punjab was in between Rs2100 to Rs2200.

He also said that Spot Rate Committee of Karachi Cotton Association has increased the spot rate by Rs100 per maund and closed it at Rs8100 per maund. The polyester fiber was available at Rs155 per kg.